

QUICK HEAL TECHNOLOGIES LIMITED

Regd. Office: Marvel Edge, Office No. 7010 C & D, 7th Floor, Opposite Neco Garden Society, Viman Nagar, Pune - 411014

CIN: L72200MH1995PLC091408

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

(INR in million)

Particulars	Standalone		Consolidated	
	As at March 31, 2018 (Audited)	As at March 31, 2017 (Audited)	As at March 31, 2018 (Audited)	As at March 31, 2017 (Audited)
Assets				
Non-current assets				
(a) Property, plant and equipment	1,610.96	1,780.66	1,611.97	1,782.23
(b) Capital work-in-progress	138.72	135.89	138.72	135.89
(c) Intangible assets	118.31	65.12	118.54	65.39
(d) Investments in subsidiaries	184.50	294.91	-	-
(e) Financial assets				
(i) Investments in others	175.75	66.66	175.75	66.66
(ii) Loans and security deposits	3.18	4.50	3.28	4.50
(iii) Other financial assets	2.92	2.07	2.92	1.83
(f) Deferred tax assets (net)	43.70	87.30	43.70	87.30
(g) Non-current tax assets (net)	33.90	198.67	33.90	198.67
(h) Other non-current assets	0.14	46.12	0.14	46.12
	2,312.08	2,681.90	2,128.92	2,388.59
Current assets				
(a) Inventories	47.15	72.22	56.24	79.40
(b) Financial assets				
(i) Investments	2,889.04	1,750.82	2,889.04	1,750.82
(ii) Trade and other receivables	1,027.41	949.90	1,030.88	971.83
(iii) Cash and cash equivalents	83.47	501.16	122.14	592.54
(iv) Bank balances other than (iii) above	1,507.24	1,501.16	1,507.24	1,501.16
(v) Loans and security deposits	8.13	5.38	8.72	6.21
(vi) Interest accrued	39.00	8.73	39.00	8.73
(c) Other current assets	23.59	33.85	24.96	35.96
	5,625.03	4,823.22	5,678.22	4,946.65
Total assets	7,937.11	7,505.12	7,807.14	7,335.24
Equity and liabilities				
Equity				
(a) Equity share capital	703.88	701.02	703.88	701.02
(b) Share application money pending allotment	-	0.06	-	0.06
(c) Other equity				
Retained earnings	3,884.34	3,299.40	3,758.24	3,132.04
Other reserves	2,783.10	2,790.04	2,776.55	2,783.49
Total equity	7,371.32	6,790.52	7,238.67	6,616.61
Liabilities				
Non-current liabilities				
(a) Net employee defined benefit liabilities	21.04	22.73	21.04	22.73
	21.04	22.73	21.04	22.73
Current liabilities				
(a) Financial liabilities				
(i) Trade and other payables	322.72	406.02	327.06	408.96
(ii) Other financial liabilities	15.61	13.16	11.99	13.16
(b) Other current liabilities	131.24	135.79	132.60	136.25
(c) Net employee defined benefit liabilities	13.10	14.42	13.10	14.42
(d) Current tax liabilities (net)	62.08	122.48	62.68	123.11
	544.75	691.87	547.43	695.90
Total liabilities	565.79	714.60	568.47	718.63
Total equity and liabilities	7,937.11	7,505.12	7,807.14	7,335.24



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STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

Sr. No	Particulars	Standalone				(INR in million)	
		Quarter ended		Year ended		Consolidated	
		March 31, 2018 (Audited)	December 31, 2017 (Unaudited)	March 31, 2017 (Audited)	March 31, 2018 (Audited)	March 31, 2017 (Audited)	March 31, 2018 (Audited)
1	Income						
	Revenue from operations	1,183.80	635.88	918.85	3,162.22	2,990.22	3,183.15
	Other income	135.48	51.70	58.86	298.75	277.76	300.02
	Total Income	1,319.28	687.58	977.71	3,460.97	3,267.98	3,483.17
2	Expenses						
	Cost of raw materials consumed	9.16	(2.60)	3.96	10.55	14.02	11.84
	Purchase of security software products	51.77	17.44	42.79	93.96	126.99	99.18
	Changes in inventories of security software products	(8.46)	8.07	(7.43)	22.02	(9.18)	18.46
	Employee benefits expense	246.50	237.61	247.33	996.76	987.62	1,023.00
	Depreciation and amortisation expense	69.15	67.94	81.59	268.82	308.67	269.27
	Other expenses	223.72	244.18	249.49	801.62	898.31	827.26
	Total expenses	591.84	572.64	617.73	2,193.73	2,326.43	2,249.01
3	Profit / (loss) before exceptional items and tax (1-2)	727.44	114.94	359.98	1,267.24	941.55	1,234.16
4	Exceptional items (Refer note 4)	71.81	3.28	-	75.09	44.13	-
5	Profit / (loss) before tax (3-4)	655.63	111.66	359.98	1,192.15	897.42	1,234.16
6	Tax expense						
	Current tax	208.86	27.71	127.90	363.68	317.56	364.42
	Pertaining to profit for the current period	-	-	0.52	(1.72)	(1.72)	-
	Adjustments of tax relating to earlier periods	19.53	4.28	(10.11)	39.69	(10.11)	39.69
	Deferred tax	228.39	31.99	123.66	403.37	305.73	404.11
	Total tax expense	427.24	79.67	236.32	788.78	591.69	830.05
7	Profit / (loss) for the period (5-6)	228.39	31.99	123.66	403.37	305.73	404.11
8	Other comprehensive income, net of tax						
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
	Re-measurement of defined benefit plans	3.73	3.49	2.38	7.35	1.12	7.35
	Net (loss) or gain on FVTOCI assets	(37.13)	-	0.10	(37.13)	(3.45)	(3.45)
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
	Exchange differences on translation of foreign operations	-	-	-	-	-	(8.02)
	Total other comprehensive income	(33.40)	3.49	2.48	(29.78)	(2.33)	(10.35)
9	Total comprehensive income (after tax) (7+8)	194.99	35.48	126.14	373.59	303.40	393.76
10	Paid-up equity share capital (face value of INR 10 each)	703.88	703.20	701.02	703.88	701.02	703.88
	Reserves excluding revaluation reserves as per balance sheet of previous accounting year				6,667.44	6,089.44	6,534.79
	Earnings per share of INR 10 each:						
	(not annualised for the quarter)						
	a) Basic	6.08	1.13	3.37	11.23	8.45	11.82
	b) Diluted	6.07	1.13	3.35	11.20	8.40	11.79



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STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

- 1** The above financials results for the year ended March 31, 2018 have been subjected to statutory audit by the auditors of the Company and reviewed by the Audit Committee and approved by the Board of Directors of the Company at the meetings held on May 10, 2018.
- 2** During the previous quarter and earlier years, the Company has received statements of demands of service tax under the provisions of Finance Act, 1994 for INR 1,223.07 million (excluding penalty of INR 626.97 million and pre-deposit if any) covering the period from March 01, 2011 to March 31, 2016 on supply of anti-virus software in Compact Disk. The Company had filed an appeal with Customs, Excise and Service Tax Appellate Tribunal, New Delhi for the period March 01, 2011 to March 31, 2014 and with the Customs, Excise and Service Tax Appellate Tribunal, Mumbai for the period April 01, 2014 to March 31, 2016. Based on technical circular issued by the government authorities and an independent legal opinion, the Company is confident of getting this claim set aside and accordingly no provision has been considered necessary in this regard and also for the subsequent period till June 30, 2017 (before implementation of GST).
- 3** In addition to above, during the previous quarters, the Company has received letter for submission of the sales information pertaining to period April 01, 2016 to March 31, 2017 and from April 01, 2017 to June 30, 2017 respectively. Accordingly, the Company has submitted the required information during the previous quarter.
- 4** The Company is engaged in providing security software solutions. The Chief Operating Decision Maker (CODM) reviews the information pertaining to revenue of each of the target customer group (segments) viz. retail, enterprise & government and mobile. However, based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into one operating segment viz. anti-virus and as such there is no separate reportable operating segment as defined by Ind AS 108 "Operating segments".
- 5** Exceptional items includes impairment of investment in wholly owned subsidiaries amounting to INR 75.09 million (March 31, 2017: INR 6.33 million). It also included INR Nil (March 31, 2017: INR 37.80 million) towards impairment of financial assets being loan to and interest receivable from Wegilant Net Solutions Private Limited.
- 6** Post implementation of Goods and Services Tax (GST) w.e.f. July 1, 2017, "Revenue from operations" has been disclosed net of GST.
- 7** The Board of Directors have recommended the dividend of INR 3 per equity share of the face value of INR 10.00 per share aggregating to INR 254.15 million (including Dividend Distribution Tax) for the year ended March 31, 2018. The payment of dividend is subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.
- 8** Figures for the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between the audited figures in respect of the full years and the figures of nine month ended December 31, 2017 and December 31, 2016 respectively.

For and on behalf of the Board of Directors


Kailash Katkar
Managing Director
& Chief Executive Officer

Place: Pune

Date: May 10, 2018

ABRIDGED STATEMENT OF FINANCIAL RESULTS

Sr. No.	Particulars	Standalone						Consolidated		
		Quarter ended		Year ended		Year ended		Year ended		(INR in Million)
		March 31, 2018 (Audited)	December 31, 2017 (Unaudited)	March 31, 2017 (Audited)	March 31, 2018 (Audited)	March 31, 2017 (Audited)	March 31, 2018 (Audited)	March 31, 2017 (Audited)		
1	Total income from operations (net)	1,183.80	635.88	918.85	3,162.22	2,990.22	3,183.15	2,999.73		
2	Net profit/(loss) for the period before tax (before exceptional items)	727.44	114.94	359.98	1,267.24	941.55	1,234.16	876.51		
3	Net profit/(loss) for the period before tax (after exceptional items)	655.63	111.66	359.98	1,192.15	897.42	1,234.16	838.71		
4	Net profit/(loss) for the period after tax (after exceptional items)	427.24	79.67	236.32	788.78	591.69	830.05	532.27		
5	Total Comprehensive Income for the period [comprising profit/(loss) for the period (after tax) and other comprehensive income (after tax)]	393.84	83.16	238.80	759.00	589.36	800.27	521.92		
6	Earnings per share (before and after extraordinary items)									
	Basic:	6.08	1.13	3.37	11.23	8.45	11.82	7.60		
	Diluted:	6.07	1.13	3.35	11.20	8.40	11.79	7.55		

Notes:

- The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchange under Regulation 33 of the Securities and Exchange Board of India ('SEBI') (Listing obligations and Disclosure Requirements ('LODR') Regulations, 2015. The full format of the audited standalone / consolidated financial results of the Company are available on the Stock Exchange's website (www.bseindia.com) and also on the Company's website - www.quickheal.co.in.
- The Board of Directors have recommended the dividend of INR 3 per equity share of the face value of INR 10.00 per share aggregating to INR 254.15 million (including Dividend Distribution Tax) for the year ended March 31, 2018. The payment of dividend is subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.
- The above financials results for the year ended March 31, 2018 have been subjected to statutory audit by the auditors of the Company and reviewed by the Audit Committee and approved by the Board of Directors of the Company at the meetings held on May 10, 2018.

Place: Pune

Date: May 10, 2018

For and on behalf of the Board of Directors
 Sd/-
 Kallash Katkar
 Managing Director
 & Chief Executive Officer

Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
**Board of Directors of
Quick Heal Technologies Limited,**

1. We have audited the accompanying statement of quarterly standalone financial results of Quick Heal Technologies Limited ('the Company') for the quarter ended March 31, 2018 and for the year ended March 31, 2018 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The standalone financial results for the quarter ended March 31, 2018 and year ended March 31, 2018 have been prepared on the basis of the standalone financial results for the nine-month period ended December 31, 2017, the audited annual standalone Ind AS financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone financial results for the nine-month period ended December 31, 2017 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone Ind AS financial statements as at and for the year ended March 31, 2018; and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results as well as the year to date results:
 - i. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
 - ii. give a true and fair view of the total comprehensive income comprising of net profit and other comprehensive income and other financial information for the quarter ended March 31, 2018 and for the year ended March 31, 2018.
4. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under the Regulation and the Circular.



SRBC & CO LLP

Chartered Accountants

5. We draw attention to note 2 of the Statement, wherein it is stated that the Company had received statements of demand of service tax under the provision of Finance Act, 1994 for INR 1,223.07 million (excluding penalty of INR 626.97 million) for the period from March 01, 2011 to March 31, 2016. Our opinion is not qualified in respect of this matter.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Tridevlal Khandelwal

Partner

Membership No.: 501160

Place of signature: Pune

Date: May 10, 2018



Auditor's Report On Consolidated Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
Quick Heal Technologies Limited

1. We have audited the accompanying statement of consolidated financial results of Quick Heal Technologies Limited ('the Company'), comprising its subsidiaries (together, 'the Group'), for the year ended March 31, 2018 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The consolidated financial results for the year ended March 31, 2018 have been prepared on the basis of the audited annual consolidated Ind AS financial statements as at and for the year ended March 31, 2018 and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the annual consolidated Ind AS financial statements as at and for the year ended March 31, 2018 which was prepared in accordance with the applicable accounting standards and other accounting principles generally accepted in India and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements and the other financial information of subsidiaries, these consolidated financial results for the year:
 - i. include the year-to-date results of the following entities:
 - a. Quick Heal Technologies Limited, Kenya
 - b. Quick Heal Technologies (MENA) FZE, UAE
 - c. Quick Heal Technologies America Inc., USA
 - d. Quick Heal Technologies Japan K. K., Japan
 - e. Seqrite Technologies DMCC, UAE
 - ii. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
 - iii. give a true and fair view of the total consolidated comprehensive income (comprising of net profit and other comprehensive income) and other financial information for the consolidated year to date results for the year ended March 31, 2018.



SRBC & CO LLP

Chartered Accountants

4. We did not audit the financial statements and other financial information, in respect of five subsidiaries, whose Ind AS financial statements include total assets of INR 87.21 million as at March 31, 2018, and total revenues of INR 46.05 million for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.
5. We draw attention to note 2 of the Statement, wherein it is stated that the Company has received statements of demand of service tax under the provisions of Finance Act, 1994 for INR 1223.07 million (excluding penalty of INR 626.97 million) for the period from March 01, 2011 to March 31, 2016. Our opinion is not qualified in respect of this matter.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per **Tridev Lal Khandelwal**

Partner

Membership No.: 501160

Place of Signature: Pune

Date: May 10, 2017

